

**GUIDELINES FOR DESIGNATING ELIGIBLE TELECOMMUNICATIONS
CARRIERS AND REQUIREMENTS FOR EXISTING ELIGIBLE
TELECOMMUNICATIONS CARRIERS**

A. Purpose.

These guidelines define the requirements for designation as an Eligible Telecommunications Carrier ("ETC") for the purpose of receiving federal universal service support, not state universal service support, pursuant to 47 U.S.C. § 214(e) of the Federal Telecommunications Act of 1996; include annual reporting requirements for existing ETCs; and include ETC requirements associated with Lifeline and Link Up low-income assistance programs.

B. Definitions.

1. Commission. The word Commission in these guidelines means the Public Service Commission of South Carolina.

2. Eligible Telecommunications Carrier (ETC). An ETC is a carrier as defined in 47 U.S.C. § 214(e).

3. Lifeline Service. Lifeline Service is a service as defined in 47 C.F.R. § 54.401.

4. Link Up Service. Link Up Service is a service as defined in 47 C.F.R. § 54.411.

5. ORS. The abbreviation ORS in this subarticle means the Office of Regulatory Staff.

C. Requirements for initial designation as an Eligible Telecommunications Carrier.

- (a) The Commission may upon its own motion or upon request, designate a common carrier that meets the requirements in this section as an ETC for a designated service area. Upon request and consistent with the public interest, convenience and necessity, the Commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an ETC for a service area designated by the Commission. Before designating an additional ETC for an area served by a rural telephone company, the Commission shall find that the designation is in the public interest. On or after the effective date of these rules, in order to be designated an eligible telecommunications carrier under 47 U.S.C. § 214(e)(2), of the Federal Telecommunications Act of 1996, any common carrier in its application filed with the Commission and a copy provided to the ORS must provide the following information:

(1)(A) commit to provide service throughout its proposed designated service area to all customers making a reasonable request for service. Each applicant shall certify that it will (1) provide service on a timely basis to requesting customers within the applicant's service area where the applicant's network already passes the potential customer's premises; and (2) provide service within a reasonable period of time, if the potential customer is within the applicant's licensed service area but outside its existing network coverage, if service can be provided at reasonable cost by (a) modifying or replacing the requesting customer's equipment; (b) deploying a roof-mounted antenna or other equipment; (c) adjusting the nearest cell tower; (d) adjusting network or customer facilities; (e) reselling services from another carrier's facilities to provide service; or (f) employing, leasing or constructing an additional cell site, cell extender, repeater, or other similar equipment; and

(B) submit a two-year plan that describes with specificity proposed improvements or upgrades to the applicant's network on a wire center-by-wire center basis throughout its proposed designated service area. Each applicant shall demonstrate how signal quality, coverage or capacity will improve due to the receipt of high-cost support throughout the area for which the ETC seeks designation; the projected start date and completion date for each improvement; the estimated amount of investment for each project that is funded by high-cost support; the specific geographic areas where the improvements will be made; and the estimated population that will be served as a result of the improvements. If an applicant believes that service improvements in a particular wire center are not needed, it must explain its basis for this determination and demonstrate how funding will otherwise be used to further the provision of supported services in that area.

(C) for carriers not eligible for High Cost Support from the USF, but seeking ETC designation for the purpose of participation in the Lifeline and Link Up programs, the following shall apply in lieu of paragraph (B) above: shall submit a two-year plan that describes the carrier's plans for advertising and outreach programs for identifying, qualifying and enrolling eligible participants in the Lifeline and Link Up programs. All other provisions of this subsection shall apply.

(2) demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations. The Commission shall determine on a case by case basis whether a carrier has demonstrated its ability to remain functional in emergency situations.

(3) demonstrate that it will satisfy applicable consumer protection and service quality standards. A commitment by wireless applicants to comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service

will satisfy this requirement. Other commitments will be considered on a case-by-case basis.

(4) demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation.

(5) certify that the carrier acknowledges that the Commission may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area.

(6) certify that it does or will offer the services that are supported by the federal universal service support mechanisms by using its own facilities or a combination of its own facilities and resale of another carrier's services.

(7) certify by affidavit signed by an officer of the company, that it does or will advertise in a media of general distribution the availability of such services, including lifeline services and the applicable charges.

(b) *Public Interest Standard.* Prior to designating an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e)(2), the Commission must determine that such designation is in the public interest. In doing so, the Commission shall consider, *inter alia*, the benefits of increased consumer choice, and the unique advantages and disadvantages of the applicant's service offering. In instances where an eligible telecommunications carrier applicant seeks designation below the study area level of a rural telephone company, the Commission shall also conduct a creamskimming analysis that includes, but is not limited to, comparing the population density of each wire center in which the eligible telecommunications carrier applicant seeks designation against that of the wire centers in the study area in which the eligible telecommunications carrier applicant does not seek designation. The Commission will deny designation if it concludes that the potential for creamskimming is contrary to the public interest.

D. Annual reporting requirements for designated eligible telecommunications carriers.

(a) A common carrier designated under 47 U.S.C. § 214(e)(2) as an eligible telecommunications carrier shall provide:

- (1) a progress report on its two-year service quality improvement plan, including maps detailing its progress toward meeting its plan targets, an explanation of how much universal service support was received and how it was used to improve signal quality, coverage, or capacity, and an explanation regarding any network improvement targets that have not been fulfilled. The information shall be submitted at the wire center level;

- (2) detailed information on any outage, as defined in 47C.F.R.§4.5, of at least 30 minutes in duration for each service area in which an eligible telecommunications carrier is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect (a) at least ten percent of the end users served in a designated service area; or (b) a 911 special facility, as defined in 47 C.F.R. §4.5(e). Specifically, the eligible telecommunications carrier's annual report must include information detailing: (a) the date and time of onset of the outage; (b) a brief description of the outage and its resolution; (c) the particular services affected; (d) the geographic areas affected by the outage; (e) steps taken to prevent a similar situation in the future; and (f) the number of customers affected;
- (3) the number of requests for service from potential customers within the eligible telecommunications carrier's service areas that were unfulfilled during the past year. The carrier shall also detail how it attempted to provide service to those potential customers;
- (4) the number of complaints or trouble reports per 1000 handsets or access lines;
- (5) certification that it is complying with applicable service quality standards and consumer protection rules, as designated by the Commission;
- (6) a detailed report and certification that the carrier is able to function in emergency situations;
- (7) for non-incumbent local exchange carriers certification that the carrier is offering a local usage plan comparable to that offered by the incumbent LEC in the relevant service areas;
- (8) certification that the carrier acknowledges that the Commission may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area;
- (9) the number of Lifeline customers and the number of customers that received Link Up assistance as of Dec 31st of the prior year; and

- (10) copies of responses to the Lifeline Verification Survey or Certification filed with the Universal Service Administrative Company on August 31 of each year.
 - (11) For ETCs not eligible for High Cost Fund support, but participating in the Lifeline and Link UP programs subsections (1) and (2) shall be waived. All other requirements shall remain in force, except that the requirements of (6) may be met by reference to an underlying carrier's continuing certification as for leased facilities.
- (b) *Filing Deadlines.* In order for a common carrier designated under 47 U.S.C. § 214(e)(2) to continue to receive support for the following calendar year, or retain its eligible telecommunications carrier designation, it must file with the Commission and provide a copy to the ORS the annual reporting information in paragraph (a) no later than August 15, 2007, and thereafter annually by August 15 of each year. The information provided should cover the previous twelve (12) month period ending June 30th. The ORS shall review each ETC annual report and notify the Commission in writing as to the ORS's opinion as to whether the carrier is in compliance with federal and state regulations and rules. The Commission, after holding a hearing, if it deems a hearing is necessary, shall determine based upon the information provided to it whether the carrier is in compliance with federal and state regulations and rules and shall notify the Federal Communications Commission and the Universal Service Administrative Company of each company's compliance by October 1 of the reporting year thereby ensuring that each ETC designated by the Commission is authorized to receive federal support for the upcoming fiscal year.

E. Newly designated eligible telecommunications carriers.

- (a) Once a carrier is designated as eligible to receive support the Commission shall file the certification with the Federal Communications Commission and the Universal Service Administrative Company within 60 days of that effective date of its designation as an eligible telecommunications carrier.
- (b) Thereafter, the ETC must submit the data required in paragraph D by August 15 of each year to the Commission and the Commission shall file the certification with the Federal Communications Commission and the Universal Service Administrative Company by October 1.

F. ETC Requirements for Lifeline and Link Up Services

- (a) ETCs shall offer Lifeline service in the designated service area to all qualifying low-income consumers in accordance with the federal lifeline service guidelines as follows:

- (1) ETCs shall advertise the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service.
 - (2) ETCs shall commit to offer toll limitation to all qualifying low-income consumers at the time such consumers subscribe to Lifeline service. If the consumer elects to receive toll limitation service, that service becomes part of that consumer's Lifeline service.
 - (3) ETCs may not collect a service deposit in order to initiate Lifeline service if the qualifying low-income consumer voluntarily elects toll limitation service from the carrier where available.
 - (4) ETCs shall verify annually that its Lifeline customers meet the program qualification.
 - (5) ETCs shall notify Lifeline subscribers a minimum of 60 days prior to termination of their service if the carrier has a reasonable basis to believe that the subscriber no longer meets the Lifeline qualifying criteria.
 - (6) ETCs shall not charge Lifeline customers a monthly number- portability charge.
- (b) ETCs shall offer Linkup service in the designated service area to all qualifying low-income consumers, in accordance with the following guideline:
- (1) ETCs shall advertise availability of Link Up service in a manner reasonably designed to reach those likely to qualify for the service, and shall provide a reduction of the customary charge for connecting telecommunications service for a single line at the consumer's principle place of residence. The reduction shall be in conformance with federal regulations governing the cost of Link Up service.